

Settlements and Judgments

Description	FY 2003 Actual	FY 2004 Approved	FY 2005 Proposed	% Change from FY 2004
Operating Budget	\$23,715,997	\$22,522,000	\$22,522,000	0.0

The purpose of the Settlements and Judgments (S&J) fund is to provide the fiscal resources to settle claims and lawsuits and pay judgments in most types of civil cases filed against the District of Columbia.

Beginning FY 2004, the D.C. Office of Risk Management (DCORM) performs administrative oversight of the Settlements and Judgments fund. DCORM strives to reduce the District's overall cost of risk by integrating agency programs of systematic risk identification and analysis, selecting and implementing appropriate risk control strategies and prudently financing anticipated and incurred losses into a District government integrated risk management program.

The S&J fund was created from a need to address increased litigation against the District government during the last 25 years. The fund has been part of the District's annual appropriation for many years, formerly managed and administered by the Office of Corporation Counsel (OCC). Although the administration of the fund is the responsibility of the DCORM who makes all final decisions about use of the fund, the fund is distinct and separate from the DCORM's operating budget.

The DCORM generally assess the potential exposure to the District government in cases and

claims paid through the S&J fund by reviewing the facts and the applicable law pertinent to such cases. A recommendation to settle or litigate a case originates with the Assistant Corporation Counsel assigned to the case. Depending on the amount of settlement authority requested, the recommendation is reviewed and approved by several supervisors within OCC and DCORM. The authority to settle a case is limited to \$500,000; for amounts greater than \$500,000, the settlement decision rests with the Mayor.

The agency plans to fulfill its mission by achieving the following strategic result goals:

- Formalize the philosophy, policies and procedures for prudent and professional financing of identified risks and incurred losses.
- Refine the capturing of core data electronically in order to enhance timeliness and quality of service delivery and response to information requests.
- Implement the DCORM core business process of Claims Management with cooperative litigation support for OCC.

Funding by Source

Table ZH0-1 shows the sources of funding for the Settlements and Judgments.

Table ZH0-1

FY 2005 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

Appropriated Fund	Actual FY 2002	Actual FY 2003	Approved FY 2004	Proposed FY 2005	Change from FY 2004	Percent Change
Local Fund	31,360	23,356	22,522	22,522	0	0.0
Total for General Fund	31,360	23,356	22,522	22,522	0	0.0
Federal Payments	0	360	0	0	0	0.0
Total for Federal Resources	0	360	0	0	0	0.0
Gross Funds	31,360	23,716	22,522	22,522	0	0.0

Expenditure by Comptroller Source Group

Table ZH0-2 shows the FY 2005 proposed budget for the agency at the Comptroller Source Group level (Object Class level).

Table ZH0-2

FY 2005 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

Comptroller Source Group	Actual FY 2002	Actual FY 2003	Approved FY 2004	Proposed FY 2005	Change from FY 2004	Percent Change
40 Other Services and Charges	31,360	23,716	22,522	22,522	0	0.0
Subtotal Nonpersonal Services (NPS)	31,360	23,716	22,522	22,522	0	0.0
Total Proposed Operating Budget	31,360	23,716	22,522	22,522	0	0.0

Gross Funds

The proposed budget is \$22,522,000, representing no change from the FY 2004 approved budget. There are no FTEs for the agency, which represents no change from FY 2004.

General Fund

Local Funds. The proposed budget is \$22,522,000, representing no change from the FY 2004 approved budget.

Programs

The D.C. Office of Risk Management anticipates approximately 1,200 new lawsuits in FY 2005. DCORM also anticipates approximately 2,500 claims to be filed in FY 2005, similar to the previous two years.